



CITY OF SAN ANTONIO

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SAN ANTONIO TEXAS 78283-3966

April 27, 2006

City Auditor
San Antonio, Texas

RE: Management's Corrective Action Plan for the Audit of San Jose Burial Park Fund

City Management and the Parks and Recreation Department (Parks) have reviewed the audit report for operations of the San Jose Burial Park Fund and herein is a Corrective Action Plan for the recommendations. Having an objective review of this business operation has resulted in better information for Management to develop operating strategies for the future that will improve its financial potential.

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
Executive Summary (ES)					
ES1	The City Manager should determine if the City should continue to operate the Burial Park. (Detailed Report Recommendation 1, Response Page 2) Action plan (Page 2):	4	ACCEPT	FRANCES GONZALES/ ASSISTANT CITY MANAGER	SEPT. 2006
ES2	The City Manager should determine strategically how the City meets the commitment of perpetual care going forward by working with Departments, including Parks and Recreation, Finance, and Management and Budget. (Detailed Report Recommendation 1, Response Page 2)	4			
ES3	Parks should conduct a price survey with peer groups of other cities and private cemeteries on an annual basis prior to the development of Department's budget. (Detailed Report Recommendation 2, Response Pages 2 & 3)	4			
ES4	Parks should strengthen internal controls in the cash receipting and disbursement processes. (Detailed Report Recommendation 3, Response Page 3)	4			
ES5	Parks should collect from delinquent accounts or exercise forfeiture of lot provisions. (Detailed Report Recommendation 4, Response Pages 3 & 4)	4			

Recommendation					
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ES6	Parks should review capital and operating budgets for the Permanent Fund, and appropriately reimburse the fund for inappropriate transfers. (Detailed Report Recommendation 5, Response Page 4)	4			
Additional Auditor comments with reference to Expenditure Control Weakness... (Detailed Report Recommendation 6, Response Pages 4 & 5)					

Detailed Report

1. Ability to Perform Perpetual Care Commitment

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|--|----|------------------|---|------------|
| • The City Manager should direct appropriate City Departments to develop a business plan that can appropriately fund the perpetual care for the Burial Park. | 10 | ACCEPT | MALCOLM MATTHEWS/DIRECTOR OF PARKS & RECREATION | SEPT. 2006 |
| • Parks Management should convert the manual burial records to an electronic format, using the Access database for the Old City Cemetery. | 10 | PARTIALLY ACCEPT | CINDY FOREY/CEMETERY OPERATIONS SUPERINTENDENT | SEPT. 2006 |
| • Parks Management should maintain a duplicate copy of original burial records off-site to ensure business continuity. | 10 | ACCEPT | CINDY FOREY & TEMPORARY ASSISTANT | SEPT. 2006 |

Action plan:

*Entering the budget process we will simultaneously explore an RFP approach to outsourcing the facility to improve the San Jose Burial Trust Fund balance as well as, develop a business plan and revenue projections to off-set operating costs and fund balance reductions in the fund (i.e. increasing rates; realigning revenue to permanent fund).

*Attempts to retrieve "K" Drive consisting of Old City Cemetery Records from Library thru our DSS in Feb. 2005 failed. Our 1st-step is to retrieve Data-base however, manually entering San Jose Records will be a time consuming process. To meet a more comprehensive, long-term need we're inquiring on the following options:

1st-Working with Parks GIS Analyst to link the mapping/records system to utilize simultaneously.

2nd-Inquire with ERM-Staff to link the current SAP-System to utilize as an active "Records Management System".

3rd-Purchase a Cemetery Database Management Software. (Quote pending)

*Records are being copied utilizing a Temp from the Temp-Pool. Records being boxed to transfer to Library-Vault in coordination w/ Miriah Pheiffer. Furthermore, inquiring w/ Records for options.

2. Revenue Source Potential

Parks Management should:

- | | | | | |
|---|----|------------------|---|-----------|
| • Conduct a price survey with other cities and private cemeteries annually. | 12 | ACCEPT | CINDY FOREY | JULY 2006 |
| • Develop a comprehensive schedule of fees and charges for the Burial Park. | 12 | ACCEPT | CINDY FOREY | ANNUALLY |
| | 12 | PARTIALLY ACCEPT | MALCOLM MATTHEWS/PARKS DIRECTOR & BUDGET DEPT. & CITY COUNCIL | ANNUALLY |
| • Update prices at least annually. | | | | |

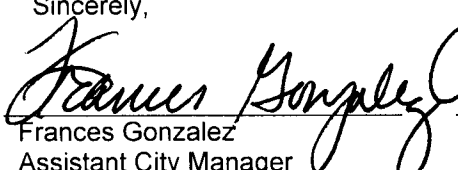
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Action plan: *Cost Comparison Survey for Texas Municipal Cemeteries was completed in June 2005 (Austin; Abilene; Wichita Falls; College Station). Will conduct cost comparison annually. *Developed & submitted in June 2005. Will continue to make recommendations annually. *Various Rates were increased in Oct. 2004 by approx. \$100; Jan. 2005 by approx. \$50 - \$100; Oct. 2005 by approx. \$50. We will review annually and make recommendations appropriately. Recommendations will be made in the FY'06-'07 Budget.					
3.	Cash Handling and Revenue Business Process Controls Parks Management should:				
	• Significantly improve the internal control environment for the cash handling, revenue and sales processes.	14	ACCEPT	CINDY FOREY	2005
	• Enhance training on cash handling procedures	14	ACCEPT	CINDY FOREY	2005
	• Stress supervisor's responsibilities and accountability	14	ACCEPT	CINDY FOREY	2005
	• Involve Department Management in monitoring and oversight activities	14	ACCEPT	CINDY FOREY	2005
	• Enforce daily deposit of revenue and cash security.		PARTIALLY ACCEPT	CINDY FOREY	2006
Action plan: *Incoming Revenue (checks, money orders accepted only) are being stamped & logged upon receipt and reconciled by Superintendent utilizing SAP transaction & the Log book. *Appropriate staff have been cash-handling certified, and/or scheduled for certification. *I Accept responsibility & accountability for following through on policies and procedures. *Director's Office Management Analyst currently monitors the accounts revenue activity however, we will include the Division's Fiscal-Senior Account Clerk to monitor the revenue activity on a much broader range. *Daily Deposits may not be rational due to the range of revenue being (\$168 - \$4000) at any given time. However, inquired with Dunbar Armored-Car Service to quote approx. \$16 providing our Purchasing Dept. are able to add San Jose to the established contract (Inquiring with James Horst). Recommend a two-day pick-up with a three-day pick-up maximum.					
4.	Contract Sales Parks Management should:				
	• Work with the City Attorney to forfeit payments for those seriously delinquent accounts.	15	ACCEPT	RAE RIOJAS/FISCAL OPERATIONS MNGMT & STEVE WHITWORTH/LEGAL & CINDY FOREY	SEPT. 2006
	• Work with the Finance Department Director to determine if any delinquent accounts are collectible.	15	ACCEPT	RAE RIOJAS & CINDYFOREY	MAY 2006
	• Designate an employee to monitor the contracts until they are paid off.	15	ACCEPT	PEGGY RODRIGUEZ/OFFICE ASSISTANT & CINDY FOREY	APRIL 2006

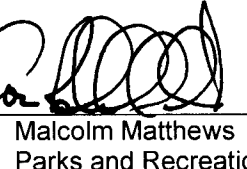
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Action plan: *Contract staff are currently reviewing contracts & will inquire and submit proper response request for to the Legal Dept. to determine how to initiate collection and/or forfeiture. A decision to take appropriate action will be made by Sept. 2006. *Contract staff to request response via written correspondence from the Finance Dept. to determine proper procedure for collection. *Employee is designated. Updates an active spreadsheet weekly. Superintendent monitors activity.					
5.	Questionable Use of the Permanent Fund				
	• The Finance Department Director should establish a trust bank account for the Permanent Fund.	17	DECLINE	BEN GORZELL	SEPT. 2006
	• Parks Management should work with the Finance Department to reimburse the Permanent Fund for expenses that were inappropriately paid from it.	17	DECLINE	MALCOLM MATTHEWS	SEPT. 2006
	• Going forward, the Finance Department Director should monitor and ensure that expenses are correctly charged to the Permanent Fund.	17	PARTIALLY ACCEPT	BEN GORZELL	JULY 2006 (90-DAYS)
Action plan: There is no reason to establish a separate bank account. The Finance accounting system allows proper accounting of the funds. *The Principal was never depleted...only Accumulated Investment Income. *Establish a review process for all Indirect and Direct costs charged to the General Fund.					
6.	Expenditure Control Weaknesses				
	Parks Management should:				
	• Stress that only expenditures related to the Burial Park are allowed to charge the Permanent Fund.	18	PARTIALLY ACCEPT	MANAGEMENT TEAM	FY '05-'06 BUDGET PROCESS
	• Require that purchasing card transactions be approved by a level of Management higher than the cardholder.	18	ACCEPT	CINDY FOREY	2005
	• Enforce the overtime approval procedures.	18	ACCEPT	CINDY FOREY	2005
	• Safeguard both capitalized and non-capitalized assets.	18	ACCEPT	EDWARD GUAJARDO/PARK MAINT. CRWLD & CINDY FOREY	APRIL 2005 (ANNUALLY)
	• Conduct a physical inventory of assets on an annual basis.	18	ACCEPT	EDWARD GUJARDO & CINDY FOREY	SEPT. 2006 (ANNUALLY)

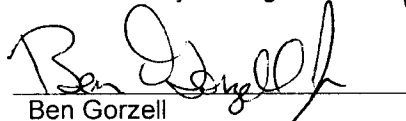
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Action plan: *Establish a review process to ensure misappropriation of expenditures to the Permanent Fund is alleviated. *A three-way Approval process has always been in place. 1st-Site Administrator; 2nd-Director's Office Management Analyst; 3rd-Purchasing Dept. *Request for Over-Time Forms are required to be filled-out; approved; and submitted to Casa Jalisco before payment. Original (White) filed with Casa Jalisco and Carbon (Yellow) is filed at site-location. *Conducted Fixed-Asset inventory in April 2005. Dispositioned various items and requested City ID-Tags for Non-Capital inventory. *Conducted inventory in April 2005 (met Departmental Inventory in Sept. 2005). Will conduct Departmental Inventory again in Sept. 2006.					

The Parks and Recreation Department appreciates the City Auditor's comments on the San Jose Burial Park. The Department Management is committed to address the recommendations in the audit report and the plan of action presented.

Sincerely,


 Frances Gonzalez
 Assistant City Manager


 Malcolm Matthews
 Parks and Recreation Director


 Ben Gorzell
 Finance Director

Acting